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Review of issues pertinent to the subsidiary structure of the Commission, including the work of the regional institutions: Macroeconomic policy, poverty reduction and inclusive development

Report of the Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific

Summary

The Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific was held in Bangkok. It consisted of a senior officials segment (17-18 December 2013) and a ministerial segment (19-20 December 2013). The Conference was attended by 36 members and associate members of ESCAP, as well as representatives of United Nations bodies and specialized agencies, and intergovernmental and non-governmental organizations.

The Conference adopted the Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific, in which members and associate members resolved to work closer together to pursue enhanced regional economic cooperation and integration in four areas: (a) moving towards the formation of an integrated market; (b) developing seamless connectivity; (c) enhancing financial cooperation; and (d) increasing economic and technical cooperation to address shared vulnerabilities and risks.

The Commission may wish to review and endorse the Declaration and provide the secretariat with future guidance on its implementation and on any other matters contained in the report of the Conference.

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I. Matters calling for action by the Commission or brought to its attention

The Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific recommends to the Commission the endorsement of the following declaration.

Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific

I. Preamble

We, the Ministers and representatives of members and associate members of the Economic and Social Commission for Asia and the Pacific attending the Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific, held in Bangkok from 17 to 20 December 2013,

Emphasizing the need to sustain the region's inclusive and sustainable development to continue to reduce the number of poor people living in absolute poverty from the current levels and to close the development gaps across countries,

Reaffirming the unique role of the Commission as the most representative body for the Asian and Pacific region and its comprehensive mandate as the main economic and social development centre of the United Nations system for the Asian and Pacific region,

Recalling the First Ministerial Conference on Asian Economic Cooperation, which was held in Manila in 1963 under the auspices of the Commission and led to the establishment of the Asian Development Bank,

Also recalling important contributions of the Commission to regional economic cooperation and integration, as highlighted in its resolution 68/10 on enhancing regional economic integration in Asia and the Pacific, and noting other important regional economic cooperation and integration initiatives in the Asia-Pacific region,

Further recalling that the Commission in its resolution 68/10 requested the Executive Secretary to support the convening of the First Asia-Pacific Ministerial Conference on Regional Economic Integration in 2013, marking the fiftieth anniversary of the First Ministerial Conference on Asian Economic Cooperation, and to review the theme study for the sixty-eighth session of the Commission, entitled *Growing Together: Economic Integration for an Inclusive and Sustainable Asia-Pacific Century*,[1, 2]

Recalling Commission resolution 69/10 on promoting regional information and communications technology connectivity and building knowledge-networked societies in Asia and the Pacific,

Also recalling General Assembly resolutions 64/186 and 67/194 on building connectivity through the Trans-Eurasian Information Super Highway and 67/298 on developing cooperation for better connectivity and telecommunications transit routes in the Trans-Eurasian region,

Recognizing the important role of safe, efficient, clean, reliable and affordable transport systems in supporting sustainable economic growth, improving social welfare of people and enhancing regional integration in Asia and the Pacific,

Also recognizing that, given the vast land mass, oceans and diversity of the Asian and Pacific regions, land-based and sea-based fibre-optic cable networks and satellites play a critical role in developing a seamless regional information space,

Further recognizing that in the context of economic uncertainties after the global financial and economic crisis and with the rising economic prominence of the Asia-Pacific region in the world economy, the promotion of intraregional trade within Asia and the Pacific can provide enormous opportunities to support economic growth and employment creation in the region,

Reaffirming the imperatives of sustainable development, reducing poverty and inequalities, increasing the resilience of our economies to natural and economic disasters and the effects of climate change, sustainable management of natural resources, enhancing food and energy security, closing the digital divide and reducing development gaps across countries to enhance social cohesion,

Emphasizing that fostering trade, investment, and economic and development cooperation among countries in Asia and the Pacific can create opportunities not only for supporting economic growth, but also for achieving wider *developmental* objectives,

Noting that improving connectivity with regard to land, river, sea and air transport as well as energy and information and communications

[1] ST/ESCAP/2629.

[2] See also E/ESCAP/68/22.

technology infrastructure, as well as trade facilitation, is critical to boost trade, investment and the movement of people among countries,

Emphasizing the need to substantially enhance the degree of connectivity in the region, including through investment in transport, energy and information and communications technology infrastructure, and through improvements in trade and transport facilitation,

Recalling Commission resolution 69/6 on the implementation of the Tehran Declaration to promote public-private partnerships in infrastructure development in Asia and the Pacific for sustainable development,

Emphasizing the need to develop existing, evolving and innovative national, regional and global partnerships to help members and associate members address the challenges and seize the opportunities associated with growing populations, the demographic dividend, internal and international migration, and urbanization,

Noting the urgent need to increase the availability of and access to financing for regional infrastructure projects, especially those that link least developed countries, landlocked developing countries and small island developing States with each other and with other economies in Asia and the Pacific, including through facilitating transit transportation to seaports,

Also noting with satisfaction the adoption of the Suva Declaration on Improving Maritime and Related Services in the Pacific,[3] which is aimed at improving the economic feasibility of the provision of regular and predictable inter-island shipping services in the Pacific subregion,

Emphasizing that cooperation among countries in the region is critical to increase resilience to address vulnerabilities and risks of natural disasters, food and energy insecurity, scarcity of surface- and groundwater resources, and unsustainable use of natural resources, including those in the oceans, and the effects of climate change in order to pursue a sustainable development path,

Also emphasizing the need to address the growing gap in broadband connectivity between developed and developing countries, so that affordable access to high-speed networks is available to all,[4]

Noting that the Zero Hunger Challenge, which was launched globally by the Secretary-General in Brazil in June 2012 and regionally by the Deputy Secretary-General on the occasion of the sixty-ninth session of the Commission, could provide a useful framework for regional cooperation in the area of food security,

Recognizing the accumulation of financial resources within Asia and the Pacific, the need for facilitating their broader flow, and the positive role of financial cooperation in enhancing economic resilience and closing infrastructure gaps in the region, and building on the work under way for widening the scope of existing arrangements and deliberating on new relevant

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[3] See E/ESCAP/FAMT(2)/6.

[4] The gap in broadband connectivity is widening in terms of indicators such as total international Internet bandwidth, international Internet bandwidth per user, and in terms of broadband access between the developing and developed countries of Asia and the Pacific. Source: ESCAP, based on the International Telecommunication Union, World Telecommunication/ICT Indicators database 2013.

coordinated mechanisms, such as a regional financial institution that promotes infrastructure investment and complements existing financial institutions,

Acknowledging the valuable role of regional groupings and organizations, such as the Asia-Pacific Economic Cooperation, the Association of Southeast Asian Nations, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, the Commonwealth of Independent States, the Customs Union and Common Economic Space of Belarus, Kazakhstan and Russia, the East Asia Summit, the Economic Cooperation Organization, the Melanesian Spearhead Group, the Micronesian Trade Committee, the Pacific Islands Forum, the Shanghai Cooperation Organization, and the South Asian Association for Regional Cooperation in the area of regional and subregional economic cooperation and integration,

Taking note of the visions for a broader Asia and Pacific community,

Having reviewed the theme study prepared for the sixty-eighth session of the Commission, *Growing Together: Economic Integration for an Inclusive and Sustainable Asia-Pacific Century*,

II. Policy directions

1. *Resolve* to work together to pursue enhanced regional economic cooperation and integration in Asia and the Pacific in the following four areas:

(a) Moving towards the formation of an integrated market;

(b) The development of seamless connectivity across the region in the areas of transport, energy and information and communications technology, among others, including through the full realization of key regional initiatives;

(c) Enhancing financial cooperation for, among other things, closing infrastructure gaps across countries in the region and exploring the possibility of providing liquidity support;

(d) Increasing economic and technical cooperation to address shared vulnerabilities and risks;

2. *Agree* to pursue the agenda for such cooperation as outlined in section III of the present Declaration as an important step towards realizing a broad long-term vision of an economic community of Asia and the Pacific;

3. *Decide* to create four area-specific expert working groups to take stock of current regional efforts pertaining to economic cooperation and integration, to identify gaps in those efforts, to recommend concrete actions to make progress in each of the four areas listed in operative paragraph 1 above, and to submit their recommendations to intergovernmental open-ended preparatory meetings to be convened for the second Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific to take place in 2015;

4. *Agree* to assist countries with special needs, especially least developed countries, landlocked developing countries and small island developing States, in taking advantage of opportunities arising from regional economic cooperation and integration, including, as appropriate, through support to enhance their capacities and through technical assistance;

5. *Invite* members and associate members of the Commission, donor countries, multilateral financing institutions, relevant agencies and organizations of the United Nations system, other intergovernmental and regional organizations, relevant non-governmental organizations, international think tanks and the private sector to provide financial and technical support, within their mandates and core competencies, for the implementation of the agenda for regional economic cooperation and integration;

6. *Request* the Executive Secretary:

(a) To accord high priority to the agenda for regional economic cooperation and integration in the work of ESCAP;

(b) To support the work of the four area-specific expert working groups including the preparation of their terms of reference in consultation with members and associate members and convene the intergovernmental open-ended preparatory meetings for the second Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific referred to in operative paragraph 3 above;

(c) To ensure effective coordination with United Nations and multilateral agencies concerned, including relevant subregional technical organizations within their respective mandates and core competencies, in supporting the implementation of the regional economic cooperation and integration agenda;

(d) To convene the second Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific in 2015 to review the progress on the agenda of regional economic integration outlined in section III of the present Declaration, consider the recommendations of the intergovernmental open-ended preparatory meetings and decide on follow-up actions.

III. Suggested agenda for regional economic cooperation and integration in Asia and the Pacific

1. The agenda for regional economic cooperation and integration is aimed at deepening and broadening economic cooperation and integration in Asia and the Pacific and at moving towards the formation of an economic community of Asia and the Pacific as a long-term goal.

2. Recognizing the important progress achieved by regional groupings and organizations in integrating their subregions, the agenda is designed to support their efforts and further strengthen their contribution as building blocks of a broader regional initiative. For this purpose, the subregional offices of the secretariat could provide support to and liaise with the subregional groupings in their respective subregions within their respective mandates.

3. In order to promote and facilitate opportunities for mutual learning and coordination among regional groupings and organizations, including their sectoral cooperation initiatives, ESCAP could facilitate consultations among such groupings and organizations at the annual sessions of the Commission for the purpose of discussing progress in economic cooperation and integration in ESCAP subregions, sharing best practices and considering ways to enhance economic cooperation and integration among the subregions.

4. It is important to recognize that challenges generally associated with least developed countries, landlocked developing countries and small island

developing States, such as small market sizes, geographic limitations and absence of relevant trade infrastructure, reduce the impact of regional cooperation and integration initiatives that are meant to enhance trade, market development and improve economic growth. In order to broaden the access of those countries to regional trade and connectivity, there is a need to implement specific policies that focus on productive capacity-building related to infrastructure development, broadening the economic base, access to finance and providing assistance in overcoming the risks and shocks of entering into a regional trade block.

5. The second Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific, which is proposed to be held in 2015, will take stock of the progress made on the agenda of cooperation and integration agreed at the First Ministerial Conference and consider the recommendations of the area-specific expert working groups established by it.

A. Moving towards the formation of an integrated market

6. In order to exploit complementarities between subregions, it is critical to move towards an integrated market of Asian and Pacific economies. One of the four area-specific expert working groups will explore the possible options for building an integrated market of the Asian and Pacific region in an inclusive and equitable manner.[5]

7. Recognizing the importance of trade for growth and development, members and associate members will strive to foster trade facilitation, bring down trade barriers through cooperation on liberalization, and resist and refrain from protectionism.

8. It is necessary to recognize the importance of migration flows for tackling structural labour demand and supply mismatches across countries and the critical developmental role that remittances play. In this context, it is also necessary to enhance regional consultations to address the protection of rights of migrant workers in accordance with internationally agreed principles, as appropriate, as well as applicable national laws, regulations and policies.

9. Intraregional tourism, which has been growing in Asia and the Pacific as a consequence of the region's progress in raising standards of living and reducing poverty, could help spur development in least developed countries, landlocked developing countries and small island developing States of the region. However, the development of the tourism sector is highly dependent on the existence of efficient, regular and affordable air services connecting recipient and source countries. Regional cooperation in this area is particularly important in order to support these countries in promoting the development of their tourism sectors.

B. The development of seamless connectivity in the region

10. In order to strengthen seamless transport connectivity in the region, it is essential, as appropriate, to implement the Ministerial Declaration on Transport Development in Asia and the Pacific,[6] and the Regional Action Programme for Transport Development in Asia and the Pacific, phase II

[5] The word "equitable" refers to the principle of special and differential treatment in favour of weaker economies, as included in the General Agreement on Tariffs and Trade (GATT).

[6] Commission resolution 68/4, annex.

(2012-2016),[7] the Regional Strategic Framework for the Facilitation of International Road Transport,[8] the Ministerial Declaration on Transport as a Key to Sustainable Development and Regional Integration,[9] and the Suva Declaration on Improving Maritime Transport and Related Services in the Pacific.[10] It is also important for ESCAP members and associate members that have not already done so, to consider becoming parties to the Intergovernmental Agreement on the Asian Highway Network,[11] the Intergovernmental Agreement on the Trans-Asian Railway Network[12] and the Intergovernmental Agreement on Dry Ports.[13]

11. In view of the critical importance of the connectivity agenda, one of the four area-specific expert working groups will take a closer look at cross-sectoral synergies among transport, energy and information and communications technology (ICT) infrastructure and make recommendations.

12. The Asian and Pacific Energy Forum could address the need to develop energy connectivity by facilitating the evolution of an "Asian energy highway", including oil and gas pipelines and grid connections across borders, to exploit demand-supply mismatches among countries and to further develop a regional energy market and a Pacific regional energy data repository for sustainable energy for all. In view of the importance of energy cooperation for the energy security of the region, the Forum could consider means of implementing a review mechanism for its recommendations. The Forum could also enhance cooperation among energy-producing, transit and energy-consuming countries for the sustainable use of resources.

13. Improved ICT connectivity and the reduction of the digital divide may require enhanced cooperation at the regional and subregional levels in such activities as entering into public-private partnerships, exploring new opportunities emerging from technological innovations and connectivity and supporting the development of regional initiatives for ICT connectivity set forth in Commission resolution 69/10 in order to provide seamless broadband connectivity and reduce the costs of such connectivity for all throughout Asia and the Pacific. Improved regional cooperation on ICT issues could also promote policies that maximize the economic and social benefits of improved ICT connectivity, while mitigating the common challenges and threats raised by new and continuously evolving technologies.

C. Enhancing financial cooperation

14. It is important to recognize the large potential for cooperation in finance in order to develop the region's capital markets and a regional financial architecture to facilitate the mobilization of financial resources for meeting the need for liquidity support and trade finance and to close the infrastructure gaps. One of the four area-specific expert working groups could examine ways and means of exploiting the potential of financial cooperation in Asia and the Pacific, including considering options suggested in paragraph 5(f) of Commission resolution 69/6 on the implementation of

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[7] Ibid., appendix I.

[8] Ibid., appendix II.

[9] See E/ESCAP/FAMT(2)/7, chap. I, sect. A.

[10] See E/ESCAP/FAMT(2)/6.

[11] United Nations, *Treaty Series*, vol. 2323, No. 41607.

[12] United Nations, *Treaty Series*, vol. 2596, No. 46171.

[13] Commission resolution 69/7, annex.

the Tehran Declaration to promote public-private partnership in infrastructure development in Asia and the Pacific for sustainable development.

D. Increasing economic cooperation to address shared vulnerabilities, risks and challenges

15. One of the four area-specific expert working groups could explore ways and means to foster regional cooperation for addressing shared vulnerabilities, risks and challenges, including the measures discussed in the following paragraphs.

16. The establishment of an Asian and Pacific agricultural research and innovation network could be considered to serve as a regional knowledge network aimed at addressing sustainable productivity increases and encouraging responsible investment in sustainable small-scale farming, agro-industries and rural development.

17. Regional and subregional food banks, such as that created by the South Asian Association for Regional Cooperation and the Association of Southeast Asian Nations' ASEAN Plus Three Emergency Rice Reserve, could be strengthened. It is important for countries to share information on food stocks and to facilitate food trade through information-sharing related to sanitary and phytosanitary and other food safety standards, agricultural good practices and trading opportunities.

18. The Zero Hunger Challenge[14] could provide a guideline for regional cooperation in the area of food security. Regional cooperation is particularly necessary to assist countries with special needs, such as least developed countries, landlocked developing countries and small island developing States.

19. While increased connectivity facilitates cross-border flows of trade and investment, it also raises the risks of transboundary shocks, which could have serious impacts on social, economic and environmental infrastructure and processes across countries of the region and could lead to systemic failures. In that context, it is important to recognize the role of relevant mechanisms for regional cooperation and coordination and in facilitating the sharing of best practices across the subregions.

20. The role of regional cooperation in ICT and space technologies for the monitoring of hazards and the assessment of vulnerabilities, exposures and risks should be recognized. Regional cooperation, such as through the Regional Space Applications Programme for Sustainable Development and regional disaster management support systems, such as Sentinel Asia, could also help members and associate members mainstream disaster risk reduction into their development planning, formulate disaster-resilient recovery and reconstruction measures and take into account disaster risks in their land use planning.

21. The pooling of space-based information and ground support as well as communication systems for monitoring and early warning at the regional level should be considered in order to address multiple hazards and cut across geographical boundaries through the sharing of data, information and best practices between national and subregional early warning systems. In this context, it is important to strengthen the Regional Integrated Multi-hazard Early Warning System for Africa and Asia (RIMES).

[14] See www.un.org/en/zerohunger.

22. As the scarcity of natural resources is becoming a constraint to the growth of Asian and Pacific economies, there is a need for appropriate and efficient pooling of resources and coordination at the regional and subregional levels with the objective of fostering research and development regarding (a) the conservation of natural resources, including oceans and energy, (b) climate change adaptation and mitigation and (c) the development of environmentally friendly technologies up to the pre-competitive stage. This could be achieved through greater coordination among national innovation agencies in Asian and Pacific countries and through the establishment of regional innovation centres for different core technologies. The role of ESCAP regional institutions, such as the Asian and Pacific Centre for Transfer of Technology, the Asian and Pacific Training Centre for Information and Communication Technology for Development, the Centre for Alleviation of Poverty through Sustainable Agriculture, and the Centre for Sustainable Agricultural Mechanization, needs to be recognized in this respect.

23. A number of members and associate members of the Commission are highly vulnerable to the impacts of climate change, such as the contamination of freshwater tables by rising levels of seawater, the increased frequency and severity of cyclones, rising of sea levels and the melting of snow caps resulting in flash floods and outburst of glacier lakes. These impacts expose them to the risk of suffering significant damage to their physical infrastructure and productive capacity, which could strain government resources and exacerbate development challenges. Sharing of experiences and best practices among members and associate members to build resilience to the impacts of climate change is thus highly desirable. Members and associate members underline the urgency for enhancing the means of implementation to combat the adverse impacts of climate change in this region in accordance with internationally agreed mandates.

II. Proceedings

A. The importance of regional economic cooperation and integration for an inclusive and sustainable Asia-Pacific century

1. The Conference had before it the documents entitled "Towards a broader integrated market in Asia and the Pacific" (E/ESCAP/MCREI/1) and "Enhancing regional cooperation in connectivity and finance and in addressing shared vulnerabilities and risks in Asia and the Pacific" (E/ESCAP/MCREI/2).

2. The Director of the Subregional Office for South and South-West Asia made the case for deepening and broadening economic integration in the region and moving towards the formation of an economic community of Asia and the Pacific as a long-term goal, and provided details on the four-pronged agenda suggested in the Commission's theme study entitled *Growing Together: Economic Integration for an Inclusive and Sustainable Asia-Pacific Century*:[15] (a) moving towards the formation of an integrated market; (b) developing seamless connectivity in the region; (c) enhancing financial cooperation; and (d) increasing cooperation to address shared vulnerabilities, risks and challenges.

3. Mr. Hafiz Ahmed Pasha, former Federal Minister for Finance of Pakistan and former Assistant Administrator of the United Nations

[15] ST/ESCAP/2629.

Development Programme, said that moving towards greater regional economic cooperation and integration in Asia and the Pacific could support the development of the least developed countries and the small island developing States. He also noted that the annual lending capability of the Asian Development Bank was insufficient to address the region's infrastructure investment needs and that countries in the region should consider establishing a large regional infrastructure fund to supplement existing sources of infrastructure finance. He also emphasized the need for enhancing cooperation for balance-of-payments support to countries in the region.

B. Consideration of the preliminary text of the draft Bangkok declaration on regional economic cooperation and integration in Asia and the Pacific

4. The Conference had before it the draft Bangkok declaration on regional economic cooperation and integration in Asia and the Pacific (E/ESCAP/MCREI/WP.1).

5. Representatives of the following members and associate members participated in the discussion on the draft Bangkok declaration: Afghanistan; Armenia; Australia; Bangladesh; Bhutan; Cambodia; China; Democratic People's Republic of Korea; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Kyrgyzstan; Lao People's Democratic Republic; Malaysia; Maldives; Marshall Islands; Mongolia; Myanmar; Nauru; Nepal; Niue; Pakistan; Papua New Guinea; Philippines; Republic of Korea; Russian Federation; Samoa; Sri Lanka; Thailand; Timor-Leste; Tonga; Tuvalu; and United States of America.

6. The representatives discussed a suggested agenda for pursuing enhanced regional economic cooperation and integration in Asia and the Pacific and agreed on future steps to move such an agenda forward. In particular, they agreed to create four area-specific expert working groups (a) to take stock of current regional efforts pertaining to economic cooperation and integration; (b) to identify gaps in those efforts; (c) to recommend concrete actions to make progress; and (d) to submit their recommendations to intergovernmental open-ended preparatory meetings to be convened for the proposed second Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific, which would be held in 2015.

7. The representatives revised and finalized the draft text of the Bangkok declaration and agreed to submit it for consideration during the ministerial segment (see E/ESCAP/MCREI/L.2).

C. Adoption of the report of the senior officials

8. The senior officials adopted the draft report covering agenda items 1 through 4 on 18 December 2013 (E/ESCAP/MCREI/CRP.1).

D. Report on the senior officials segment

9. The Chair of the senior officials segment reported to the Ministers that, after two days of deliberations, the senior officials had finalized the draft Bangkok declaration on regional economic cooperation and integration in Asia and the Pacific. He noted that the preparatory meetings that had taken place in August and November of 2013 had provided a good starting point for the deliberations and commended the flexibility and spirit of cooperation of

the representatives in reaching a consensus. He briefly summarized the key elements of the draft declaration, including the proposal to create four area-specific expert working groups.

E. Policy issues for regional economic cooperation and integration in Asia and the Pacific

10. The Conference had before it the documents entitled "Towards a broader integrated market in Asia and the Pacific" (E/ESCAP/MCREI/1) and "Enhancing regional cooperation in connectivity and finance and in addressing shared vulnerabilities and risks in Asia and the Pacific" (E/ESCAP/MCREI/2).

11. The Executive Secretary of ESCAP emphasized that deepening regional economic cooperation and integration was key to reducing poverty, sustaining growth, balancing regional development, and making inclusive and sustainable development a reality for all. In that regard, she pointed out that the Bangkok declaration embodied the culmination of the Commission's efforts to lay the foundations for an Asia-Pacific economic community and that its adoption at the Ministerial Conference represented a historic and defining moment in the history of ESCAP.

12. Mr. Kay Rala Xanana Gusmão, the Prime Minister of Timor-Leste, noted that, although the members and associate members of ESCAP were at different stages of development and differed in their culture and history, their diversity was not a hindrance but a strength because it provided them with opportunities to learn from each other and to create innovative ways to overcome their developmental challenges. In that respect, he stated that enhancing regional economic cooperation and integration would enable countries in the region to forge innovative regional partnerships aimed at spreading prosperity and development for all.

13. Statements were made by the representatives of the following members: Bangladesh; Bhutan; Cambodia; China; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Lao People's Democratic Republic; Malaysia; Maldives; Mongolia; Nepal; Pakistan; Papua New Guinea; Philippines; Republic of Korea; Russian Federation; Samoa; Thailand; and Tuvalu.

14. Representatives shared their experiences and initiatives to advance regional economic cooperation and integration.

15. While acknowledging that economic integration and cooperation helped Asian and Pacific countries to be resilient to the global financial crisis, representatives emphasized the need to deepen and broaden it. They agreed that regional economic integration and cooperation was critical for accelerating economic growth, and reducing poverty and economic disparities. In that regard, there was a consensus on the need to advance the agenda on regional integration and cooperation.

16. In their statements, the representatives referred to the four-pronged agenda suggested in the Commission's theme study:[15] (a) moving towards the formation of an integrated market; (b) developing seamless connectivity in the region; (c) enhancing financial cooperation; and (d) increasing economic cooperation to address shared vulnerabilities, risks and challenges.

17. Some representatives highlighted the importance of reducing tariff and non-tariff barriers in the region. They noted that, although Asian and

Pacific countries had signed a large number of bilateral and subregional free trade agreements, such agreements could pose a stumbling block to regional economic integration if they were left uncoordinated.

18. Some representatives noted that differences in capacities among countries was another important challenge in achieving regional economic integration, and that the economic community needed to work together to assist developing countries build their capacities. Representatives also emphasized the importance of trade facilitation measures for economic integration. In that respect, they expressed the view that the recently adopted Bali Ministerial Declaration[16] was a very important outcome.

19. Representatives highlighted the need to strengthen connectivity in order to bridge gaps in geography, culture and economic development among Asia-Pacific countries. In that regard, they noted the importance of strengthening connectivity in efficient transport, energy and information and communications technology (ICT).

20. With respect to transport connectivity, representatives highlighted the importance of multimodal transit connectivity, making direct reference to the Intergovernmental Agreement on Dry Ports,[17] which had been signed in November 2013.[18] Some representatives pointed to the need to improve inter-island shipping services, particularly in the Pacific, to make them more regular and predictable.

21. Representatives pointed to opportunities for regional cooperation to enhance energy connectivity and to boost energy security, which was fundamental for supporting economic growth. A proposal was made to create a regional power grid and regional gas and oil pipelines as part of the effort to build an Asian energy highway.

22. ICT connectivity in the region was highlighted as a further critical element. In that regard, some representatives noted that building an information superhighway in Asia and the Pacific could contribute to substantially reducing the cost of ICT connectivity. Representatives also argued that special attention should be given to capacity-building in the area of ICT.

23. Some representatives noted that the financing of infrastructure development was a critical factor in achieving seamless connectivity in the region. In that respect, they pointed to the accumulation of large financial resources in the region and the need to find ways to mobilize them effectively and efficiently in order to finance infrastructure investment.

24. Representatives stressed the cross-border nature of natural disasters and their devastating impact on the region's economic prosperity. They cited examples of regional cooperation in establishing training and knowledge institutions to strengthen the capacity of countries in the region to cope with natural disasters. In that regard, they emphasized the need to provide special assistance for least developed countries, landlocked developing countries and small island developing States. They held the view that closer coordination among regional institutions was necessary in order to avoid duplication of

[16] World Trade Organization, Bali Ministerial Declaration, Ministerial Conference, ninth session, Bali, Indonesia, 3-7 December 2013 (WT/MIN(13)/DEC) (see http://wto.org/english/thewto_e/minist_e/mc9_e/tempdocs_e.htm).

[17] Commission resolution 69/7, annex.

[18] See E/ESCAP/FAMT(2)/7, para. 118(a).

work. While acknowledging that considerable progress had been made to enhance disaster risk management, representatives noted the need for further collaboration.

25. Representatives emphasized the importance of regional cooperation in the area of food security and the need for regional cooperation in agricultural research with the aim of enhancing agricultural productivity.

26. Several representatives expressed appreciation to the secretariat for its work in the area of regional economic cooperation and integration, and viewed the draft Bangkok declaration as a useful framework within which to make progress in that area and to promote inclusive and sustainable development in the region.

F. Other matters

27. Some representatives requested that the secretariat of ESCAP play a greater role in the evaluation process for graduation from least developed country status. They also requested that the issue of the special and differential treatment needs of least developed countries be considered in the work of the area-specific expert working groups proposed to be established in the draft Bangkok declaration.

G. Adoption of the Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific

28. The Conference had before it the draft Bangkok declaration on regional economic cooperation and integration in Asia and the Pacific (E/ESCAP/MCREI/L.2).

29. The Declaration was adopted by acclamation on 20 December 2013.

30. The Conference requested the secretariat to further elaborate specific details of the implementation of the Bangkok Declaration, including the establishment of the four area-specific expert working groups it proposed and the financial implications thereof, for the consideration of members and associate members through the Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission.

H. Adoption of the report of the Conference

31. The report of the Conference was adopted on 20 December 2013.

III. Organization

A. Opening, duration and organization of the Conference

32. The Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific was held in Bangkok from 17 to 20 December 2013. The Conference comprised two segments: a senior officials segment (17-18 December 2013); and a ministerial segment (19-20 December 2013).

33. The ministerial segment was opened by the Executive Secretary of ESCAP. Mr. Kay Rala Xanana Gusmão, Prime Minister of Timor-Leste, delivered the keynote speech.

34. The senior officials segment was opened by the Director of the Subregional Office for South and South-West Asia. Mr. Hafiz Ahmed Pasha, former Federal Minister for Finance of Pakistan and former Assistant Administrator of the United Nations Development Programme, delivered the keynote speech.

B. Attendance

35. The Conference was attended by representatives of the following members and associate members of ESCAP: Afghanistan; Armenia; Australia; Bangladesh; Bhutan; Cambodia; China; Democratic People's Republic of Korea; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Kyrgyzstan; Lao People's Democratic Republic; Malaysia; Maldives; Marshall Islands; Mongolia; Myanmar; Nauru; Nepal; Pakistan; Papua New Guinea; Philippines; Republic of Korea; Russian Federation; Samoa; Sri Lanka; Thailand; Timor-Leste; Tonga; Tuvalu; United States of America; and Uzbekistan. The Conference was also attended by a representative of Niue, an associate member.

36. Representatives of the following United Nations bodies and specialized agencies attended: United Nations Development Programme; International Labour Organization; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; United Nations Industrial Development Organization; World Health Organization; World Bank; and International Maritime Organization.

37. The following intergovernmental and non-governmental organizations were represented: Conference on Interaction and Confidence-building Measures in Asia; Eurasian Economic Commission; Mekong River Commission; Regional Integrated Multi-hazard Early Warning System for Africa and Asia; and South Centre.

C. Election of officers

38. The Conference elected the following officers:

Chair:	Mr. Faumuina Tiatia **Liuga** (Samoa)
Vice-Chairs:	Mr. **Ly** Thuch (Cambodia) Mr. E.M. Sudarsana **Natchiappan** (India) Mr. Mohamed **Saeed** (Maldives) Mr. Rabindra Kumar **Shakya** (Nepal) Ms. Emilia Valerio **Pires** (Timor-Leste)

39. For the senior officials segment, the following officers were elected:

Chair:	Mr. Kazi Imtiaz **Hossain** (Bangladesh)
Vice-Chairs:	Mr. Nik Azman Nik **Abdul Majid** (Malaysia) Ms. Pilimilose Balwyn **Fa'otusia** (Tonga)

D. Agenda

40. The Conference adopted the following agenda:

Senior officials segment

1. Opening of the senior officials segment:

   (a) Opening statements;

(b) Election of officers;

(c) Adoption of the agenda.

2. The importance of regional economic cooperation and integration for an inclusive and sustainable Asia-Pacific century.

3. Consideration of the preliminary text of the draft Bangkok declaration on regional economic cooperation and integration in Asia and the Pacific.

4. Adoption of the report of the senior officials.

Ministerial segment

5. Opening of the ministerial segment:

(a) Opening statements;

(b) Election of officers;

(c) Adoption of the agenda.

6. Report on the senior officials segment.

7. Policy issues for regional economic cooperation and integration in Asia and the Pacific.

8. Other matters.

9. Adoption of the Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific.

10. Adoption of the report of the Conference.

11. Closing of the Conference.

E. Side events

41. The following special events were held:

(a) A side event to present the Zero Hunger Challenge campaign was hosted jointly with the Regional Office for Asia and the Pacific of the Food and Agriculture Organization of the United Nations on 17 December 2013;

(b) A high-level round table on "Growing together with a shared vision" was held on 19 December 2013. It was moderated by the Deputy Executive Secretary of ESCAP. The following served as panellists: Mr. E.M. Sudarsana Natchiappan, Minister of State for Commerce and Industry, India; Ms. Khemmani Pholsena, Vice-Minister, Ministry of Industry and Commerce, Lao People's Democratic Republic; Mr. Martin Khor, Executive Director, South Centre, Geneva; and Mr. Toke Tufukia Talagi, Premier of Niue;

(c) The launch of the *Economic and Social Survey of Asia and the Pacific 2013: Year-end Update* was held on 19 December 2013, and all past issues of the *Economic and Social Survey of Asia and the Pacific* (1947-2013) in digital format were released;

(d) The 7th ESCAP Distinguished Persons Lecture on "Imperatives of regional economic integration for an Asia-Pacific century: with a special reference to Timor-Leste" by Mr. José Ramos Horta was held on 19 December 2013.

Annex

List of documents

Symbol	Title	Agenda item
General series		
E/ESCAP/MCREI/1	Towards a broader integrated market in Asia and the Pacific	2, 7
E/ESCAP/MCREI/2	Enhancing regional cooperation in connectivity and finance and in addressing shared vulnerabilities and risks in Asia and the Pacific	2, 7
Limited series		
E/ESCAP/MCREI/L.1	Annotated provisional agenda	1(c), 5(c)
E/ESCAP/MCREI/L.2	Draft Bangkok declaration on regional economic cooperation and integration in Asia and the Pacific	9
E/ESCAP/MCREI/L.3	Draft report of the Conference	10
Conference room paper series		
E/ESCAP/MCREI/CRP.1	Draft report of the senior officials	4
Working paper series		
E/ESCAP/MCREI/WP.1	Draft Bangkok declaration on regional economic cooperation and integration in Asia and the Pacific	3
Information series		
E/ESCAP/MCREI/INF/1	Information for participants	
E/ESCAP/MCREI/INF/2	List of participants	
E/ESCAP/MCREI/INF/3	Tentative programme	